

EL8-8227

Alice at STAT
June

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MEMORANDUM FOR: Acting Secretary of State
Department of State

1. Britain's long standing dominant position in Iraq has now become precarious as a result of the military action against Egypt. The pro-Western government of Prime Minister Muhi Said, the symbol of Iraq's association with Britain and the Baghdad Pact, has been severely shaken. Muhi Said, long regarded in the Arab world as a British stooge, is being popularly indicted as having been involved in the British-French-Israeli action. British-French collusion with Israel is widely accepted in the Arab world and the assumed use of Israel in the attack on an Arab state is bitterly resented. Pressures are building up for an Iraqi break with Britain and the Baghdad Pact, and there is considerable pressure for Muhi to step down. The anti-Western, anti-Muhi, pro-Sha'ir student demonstrations which broke out in Baghdad when the British-French intervened in Suez have been quelled, but hostility toward Muhi and the British continues. Further demonstrations are feared. Extended negotiations over Suez, British-French or Israeli refusal to withdraw their forces, or a financial pinch in Iraq due to the loss of oil revenues would continue and heighten the pressures in Iraq.

2. Dissatisfaction over Muhi's inaction is reported in both the government and the Iraqi army. Low level government officials were reported on 1 November to be discussing a change of the pro-British government. Top government officials were not unhappy with the prospect that Sha'ir might be brought down, but they were shocked and embarrassed by the military action and felt that Britain had let them down badly. Senior Iraqi politicians on 4 November told Muhi before his departure for Tehran that he should continue the Baghdad Pact only on the basis of an alliance of Moslem countries with possibly some sort of US representation. The temper of the country, according to these politicians, would not permit the continuation of the Pact with British representation.

3. Dissatisfaction is reported in the Iraqi army, particularly among the junior officers. At least 40 officers are reported to have

State Department review completed

been arrested. In the first flush of shock over the British-French action, the Iraqi director of military operations told the American attache that if the army were ordered to protect Nuri and the British he doubted if they would obey.

4. The government in response to these internal and external pressures has moved to appease Iraqi opinion and to rid Iraq and Nuri himself of the stigma of collusion by strong pro-Arab public statements and denunciations of the Shah's action. On 8 November at Teheran Iraq in concert with other Muslim members of the Baghdad Pact soon decried the Israeli attack, called for a cease fire and withdrawal of British, French, and Israeli forces. On 9 November Iraq broke relations with France and announced publicly that Iraqi representatives would not henceforth sit in Baghdad Pact councils while British were present. In another strong statement the Baghdad Radio broadcast a foreign ministry statement which called for the "liquidation" of Israel and repeated expressions of solidarity with Egypt. These actions are illustrative of the overall response the Nuri government has felt compelled to make in the present situation.

5. These pressures have also had a direct personal effect on the 48 year old prime minister. Ambassador Gullman reported on 1 November that he had never seen Nuri so worn and preoccupied. Nuri then told Gullman that the British were making a lot of trouble for him and asked how he could keep control of anti-British feeling after what they had done.

6. This situation in Iraq, unless altered dramatically, appears to be one in which the position both of Britain and of the present government is being seriously eroded. Those Iraqis who favor cooperation with the West will as a result of the British-French action increasingly ask the United States to provide leadership and support. Should the Nuri government fall however, a new government might well find itself under such pressure from anti-Western elements in the street and in the army that it could not afford even this step.

Allen W. Dulles
Director

cc: Admiral Radford (through Brig Gen Collins)
cc: Ass't Secretary Gordon Gray
cc: Mr. Park Armstrong, Spec Ass't for Intell.
Department of State
cc: Col. A. J. Goodpaster, The White House

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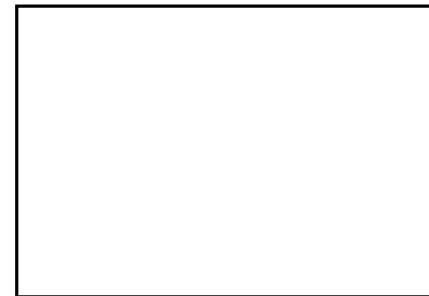
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NOV 29 1956

Colonel A. J. Goodpaster
Staff Secretary
The White House

Dear Andy:

I enclose a copy of a memorandum which I have just sent to Herb Hoover, Admiral Radford and Gordon Gray which I thought might interest you.

Sincerely,

Allen W. Dulles
Director

Enclosure (ER8-8227)

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